Ministry of
Municipal Affairs
and Housing

Ontario

Annual Report 1981/82

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Office of the Minister

Ministry of
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and Housing

Hearst Block
Queen's Park
Toronto, Ontario
M7A 2K5
416/965-6456

THE HONOURABLE
JOHN B. AIRD, O.C., Q.C., L.L.D.
Lieutenant Governor of the Province of Ontario

MAY IT PLEASE YOUR HONOUR:

For the information of Your Honour and the Legislative Assembly, I have the privilege of presenting the Annual Reports of the Ministry of Municipal Affairs and Housing, Ontario Mortgage Corporation, and Ontario Land Corporation for the fiscal year ending March 31, 1982, and the Annual Report of Ontario Housing Corporation for the calendar year 1981.

Respectfully submitted

Claude F. Bennett

CLAUDE F. BENNETT
Minister

Ontario

Office of the Deputy Minister

Bureau du Sous-ministre

Ministry of Municipal Affairs and Housing

Ministère des Affaires municipales et du Logement

Queen's Park
Toronto, Ontario
M7A 2K5
416/965-3411

THE HONOURABLE CLAUDE F. BENNETT
MINISTER OF MUNICIPAL AFFAIRS AND HOUSING

SIR:

I have the honour to submit for your approval the 1981/82 Annual Report of the Ministry of Municipal Affairs and Housing.

Respectfully submitted,

Ward Cornell
Deputy Minister

Policy and program development secretariat

The secretariat initiates, directs, undertakes and co-ordinates program and policy related research. It monitors the community environment, issues and programs, and ensures a ministry response to changing conditions.

The policy development group evaluates and designs alternatives to ministry policies and programs.

This section was active in several policy areas including the initiation, evaluation and monitoring of various shelter, mortgage and rehabilitation programs. These included the Challenge 2000 programs including, in particular, the Renter-Buy Program and Quick-Pay Mortgage. Also addressed were changes to the senior citizens' rent scale.

It also represented the ministry on the Interministerial Committee on the International Year of the Disabled Persons. In addition, it provided support services and background material to other government agencies.

The group is responsible for preparing and co-ordinating the ministry's regulatory-reform program. It is also conducting a research and demonstration project to determine the most effective means to achieve acceptable levels of indoor-air quality, and thermal efficiency in tightly-built, energy-conserving construction.

Management planning and evaluation branch

This branch consists of a program analysis section and a surveys and statistical analysis section.

The program analysis group develops and implements the ministry's management reporting, planning and control systems, co-ordinates the establishment of the ministry's future funding requirements and managing-by-results system, monitors program delivery systems and evaluates their effectiveness and maintains operating statistics of ministry programs. The group also co-ordinates the development of the ministry strategic plan.

The surveys and statistical analysis section provides statistical and survey research expertise to the ministry and assembles statistics required for policy development. During the year, major projects included the annual rental market survey conducted in seven Ontario cities to determine rent levels, rent changes and tenant perceptions regarding the quality of maintenance and services. This survey was extended to cover ownership housing in order to study the social and financial characteristics of homeowners. The section also provides statistical expertise to the secretariat, which is researching various aspects of rental housing in Ontario.

This section provides the ministry with regular assessments of the housing market, and represents the ministry on the interministerial statistics committee which co-ordinates the province's requirements for statistics.

This group also administers the municipal housing statements and related grants. In 1981/82, funds were approved for an additional 23 municipalities bringing the total commitments to $1,517,944 since the program was initiated in 1974. Payments this year totalled $146,198, bringing total payments to $1,111,442, resulting in a program commitment of $406,502.

The secretariat also ensures that the ministry is aware of and responds to changing housing and related policy program issues at the federal, provincial and municipal levels of government. It co-ordinates the ministry's activities regarding federal-provincial and interprovincial matters.

Intergovernmental policy liaison

The secretariat contributed the province's annual share of the operating budget of the inter-governmental committee on urban and regional research which provides information on issues such as planning, environmental matters and transportation to government agencies across Canada.

Other support activities

The secretariat continued to co-ordinate and participate in the ministry's involvement in international studies of urban problems being undertaken by the organization for economic co-operation and development which consists of Western European countries, Canada, the U.S. and Japan.

Affirmative action program

The goal of the Affirmative Action Program is to achieve at least 30 per cent female representation in all occupational categories and management modules within the ministry and the Ontario Public Service. The program is designed to ensure that women employees have equality of opportunity in career development and advancement. Program staff identify career paths and potentially qualified female candidates for competitions.

In July 1981, with the formation of the Ministry of Municipal Affairs and Housing, some characteristics of the female representation changed from the former Ministry of Housing. There are 595 female employees, 52.33 per cent of the total. Within the administrative module there are 29.81 per cent females, down from 34.87 per cent; the professional module increased to 22.64 per cent females from 16.67 per cent; the administrative services category declined from 37.39 per cent to 32.65 per cent, and senior management remained at eight per cent female.

There is a continued emphasis on increasing the pool of qualified women to compete for positions, especially in those areas which are represented by less than 30 per cent female (under-represented classes).

Managers planned and implemented 100 accelerated career developments during 1981/82. Ministry hire promotion targets were set in specific under-represented classes and 12 of the 13 targets were met. These plans and targets are part of the ministry MBR process.

By July 1982, the average male salary in the ministry had increased by 19.75 per cent to $33,506 from $27,981. The average female salary increased by 26.6 per cent to $21,903 from $17,301. The wage gap is closing, but slowly.

The Affirmative Action Program has become increasingly involved with the 61 housing authorities throughout the province. There are 2,260 employees in the housing authorities of whom 685 are females (30.3 per cent). The Affirmative Action Program in the housing authorities is one of highlighting the potential of female employees and the encouragement of career development initiatives. Each housing authority is encouraged to set career development plans for its staff. These plans can include on-the-job training and rotations, as well as internal and external training courses.

The Women's Advisory Committee, which has representatives from the ministry and the larger housing authorities, met twice in Toronto. Committee representatives are a liaison between the program officers and the women in the work place. Regional meetings were held in Ottawa, London and Sudbury.

The program continues to work with managers in assuring that women are given equal opportunities, which will result in an integrated work place.

Finance and administration division

The finance and administration division supplies management support services to all areas of the ministry and its associated Crown corporations. The division is organized into five main organizational components: financial services, computer and systems support services, personnel and human resources services, procurement and supply, along with all other associated office services activities, and the corporate secretary's office which supplies secretarial services to the boards of directors of the Crown corporations.

The finance branch is responsible for the co-ordination and control of the financial management functions of the ministry, its three Crown corporations and 61 housing authorities. The branch carries out its responsibility by ensuring adequate systems and policies are in place respecting budgeting, accounting and financial reporting.

The branch, in a controllership role, also provides financial policy direction to the entire ministry and establishes procedures for the management of Crown agency and ministry case flows and banking arrangements.

During the year major deregulation initiatives were undertaken in the administration of Ontario Land Corporation and Ontario Housing Corporation programs taking into account partnership and debenture financing arrangements with Canada Mortgage and Housing Corporation.

For OLC programs such initiatives were completed in co-operation with the land development wing, resulting in the condensation of approximately 225 contractual arrangements into three global agreements. Similar actions are still in progress for OHC programs. They should result in a substantial reduction in the number of active contractual arrangements. In addition, direct action taken by staff resulted in the acquisition of a 7.5 per cent municipal interest in 75 housing projects throughout the province, for a total value of $3.3 million.

An automated cash forecasting system was introduced during 1981 working in co-operation with the Royal Bank of Canada. This is an on-line terminal system and provides the branch's funding section with direct access to daily account balances in more than 70 OHC field banking locations. Forecasting and modelling capabilities are part of this system and provide the funding section with virtually full daily use of all existing bank balances at all 70 locations.

The development of additional user manuals and the forms analysis and file system design activities continued to support the ministry's administrative and operating functions.

The personnel services section assisted ministry management in the day-to-day administration of recruitment, job evaluation, classification and employee relations functions. In addition, a major project was completed involving the evaluation and classification of all management jobs in 60 housing authorities.

For the first time in several years, the staff relations section concluded collective agreements in direct negotiations with the Canadian Union of Public Employees in both the Metro Toronto Housing Authority and provincial operations. Both agreements are for a period of two years ending Dec. 31, 1983. The section was also able to effectively reduce the backlog of outstanding grievances through the use of mediation rather than formal hearings before the Crown Employees Grievance Settlement Board.

The manpower planning and staff development section presented such workshops as management development, business communications, assertiveness training and effective presentations. In addition they managed the ministry's goal setting and review process and expanded the computer-based employee information system to include Crown employees. A middle-management training program was instituted as well as new initiatives in skill training for staff involved in property management.

The pay and records section is responsible for processing all payroll and personnel transactions for the ministry staff through the integrated personnel payroll employee benefits system. This section also provides training for housing authority staff on payroll procedures as well as instructs the Royal Bank on all changes required to the payroll system which is used by the housing authorities. The Royal Bank payroll system has been expanded to include the recording of the salary and classification history of housing authority employees.

The office of the corporate secretary is responsible for the administrative and staff services associated with the meetings of the directors and shareholders of the three Crown agencies which report to the minister — Ontario Housing Corporation, Ontario Mortgage Corporation and Ontario Land Corporation. This includes both board and committee meetings.

Another initiative taken during the year was the installation of commitment accounting procedures on a pilot basis in selected remote housing authority locations. The pilot operation while highly successful, has proved to be somewhat labor intensive. Management is considering extended applications to improve the overall ministry information system. Studies are also being conducted to extend the existing remote entry terminal network to encompass selected OHC management offices.

System maintenance continued for the ministry's operational and financial information system, but a greater proportion of resources was directed toward the feasibility of new electronic data processing (EDP) systems. The major new systems now under development include the OLC project accounting system, a new tenant placement system for the Metro Toronto Housing Authority and an administration and control system for the plans administration division.

The creation of an information centre was initiated during the latter half of the year. The information centre is made up of a small group of professional staff who will provide training and support for operating staff in the ministry who want to undertake data processing on their own. Expertise in easy-to-use software packages is being acquired which will facilitate data retrieval, financial modelling, statistical analysis, administration procedures and computer graphics.

A review of ministry EDP security practices and procedures was undertaken and included a disaster risk analysis and contingency plan. Many of the recommendations contained in the final report have already been implemented

and this activity will continue during 1982/'83.

As a result of an ongoing review of the feasibility of introducing office technology in the ministry, further expansion of the use of word processing and text editing equipment has taken place. Areas such as the policy and program development secretariat, the human resources branch and the finance branch now have their own dedicated word processing systems.

The two word processing centres have continued to service an increasing number of program delivery areas where dedicated word processing equipment has not yet been introduced, as well as provide occasional overflow and back-up services to those units that have their own equipment.

As an extension of this service, a similar function is carried out for internal committees of the ministry. There is also an involvement in those meetings organized by the ministry which are attended by members of other levels of government and of professional and technical bodies.

The year also marked the first time that the board of OHC permitted delegations to make representations directly to the board at its meetings.

Staff provided service for 271 meetings during the year, including the preparation of agenda and associated material and recording of the proceedings in minute form.

During the year staff members also continued their involvement in the public tendering process, arranging 184 tender openings on behalf of the various components of the ministry. These calls resulted in 773 bids.

The bid and performance securities associated with these tender calls, together with insurance certificates and policies and other related documentation, were retained in safekeeping until release was permissible following satisfactory completion of the work or services. Securities of a negotiable nature still held in safekeeping as at March 31, 1982, totalled $1,639,616.

In support of the government's freedom of information initiatives, a ministry reading room was established in the library. Various manuals, publications and documents are available there for public perusal and copying. If additional information is required inquiries are directed to the appropriate program area.

Increased emphasis was placed on the timely processing of vendor invoices to meet the government's goal of paying its bills within 30 days. As a result, interest payments on overdue accounts virtually have been eliminated.

Community planning wing

The function of the community planning wing is to encourage effective community planning throughout the province.

The planning wing also assists in preserving the physical and social character of Ontario's communities by developing and administering programs to help municipalities and their citizens improve their neighborhoods and downtowns.

Plans administration division

The plans administration division (PAD) is responsible for administering a wide range of functions under the Planning Act.

PAD consists of three branches: community planning review branch — central and southwest, community planning review branch — north and east, and operations control branch.

These branches evaluate and make recommendations on application to the minister for official plans, official plan amendments, plans of subdivision and condominium. In municipalities where approval authority has been delegated, the branches monitor the approval functions.

Community planning review branch—central and southwest Community planning review branch—north and east

Zoning bylaws are reviewed by these branches and comment on them is made to the Ontario Municipal Board. The branches also approve amendments to the minister's zoning orders.

In addition, they approve applications for the minister's consent and monitor land severances granted by local committees and delegated planning boards.

Other functions include approving applications for the validation of land titles as well as applications for road adjustments, part lot control bylaws and deeming bylaws.

The community planning review branch — central and southwest — is also responsible for handling appeals to decisions on Niagara Escarpment development permits, implementing the Parkway Belt West plan and approving amendments to Parkway Belt regulations.

Operations control branch

The operations control branch consists of the operations review and administrative support sections, the development co-ordination unit and the cartography and drafting unit.

The operations review section reviews and makes recommendations to the minister on the delegation of approval authority under the Planning Act to regions, counties and planning boards. The section also prepares minister's zoning orders for unorganized areas in Northern Ontario.

Other functions include preparing guidelines on planning procedures and co-ordinating ministry comment on environmental assessments.

The administrative support section provides clerical, personnel and general support services to the division.

The development co-ordination unit monitors the long-range provision of serviced land in urban areas and attempts to resolve problems before they impede the even flow of land for development.

Its responsibilities also include outstanding loan and grant commitments made under the Ontario Housing Action Program.

The cartography and drafting unit provides mapping and graphics services to the plans administration division and to other branches within the community planning wing.

Annual statistics, fiscal 1981-82

Development grants

	1981-82	1980-81
New grants	0	0
Total amount paid		
Grants completed or extended	1	2
Total amount paid	$500,000	$4,353
	$500,000	$4,353

Interest free loans

	1981-82	1980-81
Number of loans made	0	0
Total loans approved	0	0
Amount disbursed	$256,771	$4,131,950

Housing incentive grants

	1981-82	1980-81
Amount disbursed	$247,576	$4,950

Zoning

	total 1981-82	total 1980-81
Comprehensive and amending bylaws received	4941	4835
Comprehensive and amending bylaws terminated	4892	4856

Zoning orders

Amendment applications received	234	229
Applications terminated	236	275

Minister's consents

Applications received	1238	1354
Applications terminated	1326	1516

Official plans

Proposed official plans received	36	49
Proposed official plan amendments received	819	841
Official plans terminated	45	56
Official plan amendments terminated	859	850

Parkway Belt

Received	130	N/A
Terminated	132	N/A

Niagara Escarpment Commission

	total 1981-82	total 1980-81
Appeals received	107	130
Appeals terminated	112	124

Road adjustment bylaws

Received	299	207
Terminated	293	210

Part-lot control

Received	12	46
Terminated	15	47

Validation

Received	71	72
Terminated	56	73

Subdivision and condominium applications

Received	300	377
Terminated	468	546
Submissions of delegated regions	398	376

Local planning policy branch

The Planning Act

Bill 159, the new Planning Act, received second reading in the Legislature and was sent to the Standing Committee on General Government for detailed review. The committee, composed of 12 MPPs, held public hearings during February, 1982. Staff provided technical advice and assisted in the evaluation of the 175 public submissions received by the committee.

Lakeshore Capacity Study

The special studies section manages the Lakeshore Capacity Study. This is an interministerial study with participation by the ministries of Municipal Affairs and Housing, Environment, and Natural Resources. This research develops a predictive model, or series of models, to evaluate the impact of proposed cottage development on land and lake environments. The findings will be useful for official plan preparation and in the subdivision approval process under the Planning Act.

The work focuses on the environmental impact of lakeshore development on water quality, fisheries and wildlife. Since natural ecological processes are involved, field data for several summer seasons were required to provide a scientific base.

Final study reports are in preparation and are scheduled for completion in the fiscal year 1982/83.

Other studies

A revised report *Land Use Planning for Noise Control in Residential Communities,* second edition, encourages municipalities and developers to use land use planning as a noise control measure to minimize the chances of creating noise problem areas.

Monitoring Guidelines — An Approach to Monitoring Official Plans encourages municipalities to review regularly the relevance of the assumptions on which their official plan is based and to evaluate the effectiveness of their policies and the subsequent decisions to achieve the plan's objectives. A basic monitoring framework is proposed.

Community planning advisory branch

The community planning advisory branch (CPAB) is a decentralized operation with offices in Ottawa, London, Sudbury, Thunder Bay and Metro Toronto. It is responsible for promoting community planning through the provision of educational activities, direct financial and technical assistance and advisory services. To minimize duplication in the planning process, heavy emphasis is placed on those areas without planning staff or with insufficient full-time staff.

In 1981/82, the branch organized 90 conferences and seminars for municipalities throughout the province dealing with a variety of planning topics. Staff of the branch also participated in 35 other forums sponsored by various public agencies and private organizations.

Technical assistance

CPAB offers professional planning assistance to many Ontario municipalities on a no-cost consultant basis. During 1981/82 amendments to 12 official plan documents, 30 zoning bylaws or bylaw amendments, 41 terms of reference for planning studies and 15 other documents were prepared.

The branch also reviews draft planning documents on request, prior to their submission for approval to the ministry or the Ontario Municipal Board.

Financial assistance

CPAB administered $1.2 million in grants to assist municipalities with limited financial resources and planning staff to embark on or complete their planning programs.

In 1981/82, 119 municipalities and 17 joint planning boards received provincial commitments for $1.54 million. First instalments were made during the fiscal year and the outstanding amounts will be provided to municipalities upon completion of individual planning studies.

The grants were made available to produce a variety of documents and to assist in the cost of completing planning programs. Among the 167 documents to be produced are the following:

Official plan documents (new or revised, major amendments or secondary plans) 61

Zoning bylaw documents (new or revised bylaws, major amendments, bylaws to replace minister's zoning orders) 92

Special/other planning studies .....14.

The branch also provided $225,000 to facilitate the administration of planning activities in 15 planning areas containing unorganized territories in Northern Ontario.

CPAB provides funding under regular financial programs for municipalities under 15,000 in population to include an energy conservation through land-use planning component in their planning studies.

This assistance was extended to all municipalities in the 1981/82 fiscal year through funds available from the Ministry of Energy. Commitments totalling $243,000 to 10 municipalities were made during the initial year of the program.

The branch recommended the establishment of, or alterative to, 20 planning areas. Advice was also provided on the definition, constitution and procedures of various planning boards.

Comments were provided on a selective basis to the plans administration division from a local perspective on the appropriateness and adequacy of planning documents submitted for approval.

Branch staff represented the ministry on a number of planning committees and performed a liaison role with federal agencies and other provincial ministries located in these regions, and with local municipalities and the general public on matters of ministry concern.

Community renewal branch

The community renewal branch is responsible for encouraging and facilitating community improvement through assistance to municipalities and the private sector. In carrying out this responsibility, the branch administers a number of provincial and federal/provincial programs in addition to providing advisory services to both municipalities and the private sector on community improvement related issues.

The Ontario neighborhood improvement program (ONIP) was introduced in 1981 after the federal government's termination of the community services contribution program. The ONIP residential neighborhoods consists of areas which are deteriorating but potentially stable and are occupied by low- and moderate-income households. Under ONIP, municipalities receive a 50 per cent provincial grant for projects to upgrade municipal services and social/recreational facilities.

As of the end of the 1981/82 fiscal year, $12 million had been committed to 47 projects in 46 municipalities. Provincial payments for these projects are expected to be made during the next four fiscal years. Workshops were held across the province to familiarize these municipalities with the program and its administrative procedures.

Management Board of Cabinet has approved a further $12 million for provincial commitment in the upcoming fiscal year.

The business improvement area (BIA) concept began in 1970 when the province enacted what is now Sect. 217 of the Municipal Act, R.S.O. 1980. This BIA legislation provides local business and retail communities with the opportunity to establish a formal organization to facilitate physical improvements and coordinate marketing and promotional activities within their area.

The branch actively promotes the BIA concept in municipalities and was instrumental in the establishment of the Ontario Business Improvement Area Association (OBIAA). In addition to providing advisory services to established and prospective BIAs, the branch has established a permanent liaison with OBIAA to assist that organization in fulfilling its mandate. As of the end of the 1981/82 fiscal year, there were 155 active BIAs in the province with a cumulative annual budget exceeding $6.5 million.

Introduced in 1976, the Ontario downtown revitalization program (ODRP) assists eligible municipalities with a maximum population of 125,000 to facilitate privately-funded downtown redevelopment. Public funds are invested in land acquisition, parking facilities and servicing to make a downtown redevelopment project attractive to the private sector. The public sector investment is recovered through land sale and/or leasing, tax increments and contingent income from the downtown redevelopment project. The province provides assistance to municipalities in the form of partially recoverable loans up to a maximum of two-thirds of the approved public sector costs. Total provincial recovery is contingent upon additional revenue being created for the municipality. There is no firm period for repayment of the loan.

As of the end of the fiscal year approximately $48.2 million of a total Cabinet appropriation of $56.5 million has been committed to 12 downtown redevelopment projects in 10 municipalities. Eight projects have been completed and repayment of the loans has begun in six of these. However, the monitoring of completed projects and the control of recoveries will continue well into the future.

The Ontario main street revitalization program was introduced in 1978 to assist eligible municipalities with a maximum population of 35,000 to improve and upgrade the downtown core area using the BIA concept. The province provides assistance to municipalities through a maximum $150,000 loan toward physical improvements and parking projects being undertaken in accordance with BIA plans for the downtown area. Total provincial recovery from the BIA and/or municipality is limited to 110 per cent of the loan over a maximum 10-year period.

As of the end of the fiscal year, more than $5.7 million had been committed to projects in 41 municipalities. Of these projects, 29 have been completed and repayment of the loans has begun.

The branch is still actively involved in administering and overseeing renewal programs that have since been terminated by the federal government but which still have provincial dollars committed. These programs are: urban renewal, neighborhood improvement and community services contribution programs. In 1981/82, 166 projects were still in the process of being implemented with an outstanding provincial commitment of approximately $32 million.

Project planning branch

The project planning branch provides comprehensive advice on community planning to the ministry in support of program delivery, especially where undertakings of government interest are concerned. The wide variety of projects dealt with includes community design and renewal, economic and social planning, regional planning and development, site analysis, engineering and transportation planning, environmental impact and energy conservation. An integral design unit works with the planning staff. Because the planning team is small, it is also able to work closely with consultants employed by the ministry to ensure satisfaction and continuity in the supply of specialist services.

Recent projects include development of future-oriented planning approaches for Ontario's aging society, including economic and social issues, transportation planning, urban design and housing components.

The branch developed approaches to solve a variety of community planning and housing concerns in Northern Ontario, such as Chapleau.

Feasibility analysis of "infill" prototypes for two medium-sized communities were carried out and the branch prepared an assessment of how community development patterns and related decision-making affect energy conservation.

Another project was appraisal of various planning proposal documents to determine economic, social and environmental impacts, as support to program delivery.

The branch published a report on saving energy by way of site design. The study demonstrates that by siting normal low-density housing to make use of the local climate, continuous and appreciable savings in the use of energy for space heating can be attained.

In consultation with local planning policy branch, it published a guide on residential site design alternatives in small communities. It shows the options available for subdivision design in economy, aesthetics, and the impacts of environmental factors and energy conservation requirements.

Preparation of concept and draft plans of land for development by Ontario Land Corporation — for example, Malvern in Scarborough — and ongoing advice on planning alternatives were also projects of the branch.

The branch is divided into three sections: policy, programs and special studies. The policy section develops and recommends general provincial policy and legislation in the community planning field. The programs section is responsible for developing provincial policy, planning standards and guidelines applicable to various forms of development. The special studies section undertakes detailed projects, providing the basic research requirements of the branch.

Municipal affairs wing

Local government organization branch

In broad terms, this branch has the responsibility for advising senior management and the minister with respect to the authority and responsibility local government should be accorded in terms of its functions, its organizational arrangements and its structure. The branch works toward local government that can be responsive, responsible and more easily understood.

The branch is involved both in current and topical policy formulation and advice and in longer term policy planning and initiatives. The branch also has responsibility for co-ordinating municipal legislation and carrying forward policy as it is to be expressed and introduced as legislation.

The branch is made up of three sections: the functions policy section, the organization policy section and the legislation section. The objectives and selected current activities of each section are set out below:

Functions policy section

- Assesses and develops proposals to increase the effectiveness of local government and to increase its capacity to set priorities and deliver services.
- Anticipates future trends that will place new demands for services on municipalities.
- Studies existing and proposed arrangements for service delivery by the municipal sector. This includes the division of responsibility between local government and the province and between levels of local government in a two-tier system.
- Communicates with other ministries regarding existing local government policy and the implications that the proposed programs and policies of those ministries will have for municipalities. To this end, section members attend meetings of the policy field cabinet committees.
- Examines the relationships between municipalities and other agencies in local government and makes recommendations for change.

The section provides advice on the proposals of other ministries as they affect local government. Staff participate in interministerial and intergovernmental committees on such varied topics as services to the aged, review of the Fire and Police Acts, transportation of dangerous goods, and animal control.

Municipal powers to license businesses have been completely reviewed. A discussion paper was widely distributed and consultation has taken place with municipal associations, municipalities and business groups. This led to the introduction in the Legislature of a new Municipal Licensing Act.

Organization policy section

- Assists in the development of more effective local government structures, including monitoring requests from restructured areas.
- Undertakes research and policy development on the organizational character of local government to improve its accountability, accessibility and responsiveness to local needs and conditions. Recent activities have included research into public access to information and municipal meetings, and proposals for a revised Municipal Conflict of Interest Act.
- Monitors and assists in the new boundary negotiations process (Bill 197). The Municipal Boundary Negotiations Act was proclaimed in February 1982. The section also monitors boundary change applications exempt from the new procedures.
- Undertakes studies and liaison promoting more effective local government in Northern Ontario.

Legislation section

Objectives and Activities

- The focal point in the ministry for requests for changes in legislation, the section is informed of the status and content of all legislative proposals and liaises with other branches of the ministry.
- To ensure that the statutes of the ministry are well organized and up to date, the section reviews existing statutes and makes recommendations to modernize and improve the legislation (e.g., the Municipal Act).
- The section provides advice to senior management and the minister on requests for public and private municipal legislation to ensure that the process for public and private legislation is well co-ordinated and effective.

Two recent branch initiatives reflect its interest in long-term policy development. The branch co-sponsors with the municipal finance branch an annual research colloquium with academics and researchers to exchange information on current research on local government subjects. Also in 1981-82, the branch launched the local government student research assistance program, which provides grants to assist students with the costs of undertaking theses, dissertations and research papers on topics related to local government in Ontario.

Municipal finance branch

The municipal finance branch is responsible for the development of policy and legislation intended to ensure the long term financial viability of Ontario municipalities with respect to their revenue base; expenditure levels; and cost-sharing among municipalities and individual taxpayers.

In performing its role, the branch undertakes empirical and policy research (e.g., the simulation of the impact of grants and apportionment policy changes), and prepares policy papers and submissions for consideration but the minister and Cabinet. Branch representatives meet frequently with the various "client" groups interested in municipal finance (e.g., elected and appointed municipal officials).

The municipal finance branch also provides liaison with the Ministry of Revenue and the Ministry of Treasury and Economics on municipal taxation policies and with other ministries and agencies on provincial initiatives which have municipal finance implications.

The branch is divided into three sections: grants and other revenues, taxation, and forecasting and analysis. The main policy areas for each group involve the following:

Grants and other revenues

- An annual review of the Ministry's Unconditional Grants Program in order to ensure the efficient and equitable transfer of funds to municipalities. In 1982, the program contributed approximately $650 million to the municipal sector.

- Participation with the Ministry of the Solicitor General in the evaluation of municipal police financing.

- The evaluation of other ministries' grant programs and how they affect the finances of municipalities.

- Analysis of other revenues including:
  — debentures;
  — lot levies;
  — licensing.

- Lead role in the committee which is studying the consolidation of all municipal finance legislation from the various acts which presently have finance provisions.

- Similar position in the municipal debt management committee which is made up of representatives from the province, the municipalities and the financial community.

Taxation

- In conjunction with the Ministry of Revenue, formulating tax policy options to accommodate a broader scale reassessment initiative under Section 63 (formerly 86) of the Assessment Act.

- Policy development towards the determination of an appropriate basis for distributing Metro, regional and county costs among their constituent municipalities.

- Review of payments to municipalities made in lieu of property taxes.

- Evaluation of private legislation and development of general government policy respecting exemptions from property taxation.

- Review and enhancement of procedures for collection of local taxes with respect to:
  — Interest, penalties and discounts;
  — Business taxes; and
  — Payments to school boards and upper tiers.

Forecasting and analysis

- Forecasts of local government expenditures and revenues.

- Financial analysis of municipalities for the Ontario Municipal Board and on request from other ministries (e.g., Northern Affairs).

- Analyses of the economic bases of municipalities and the development of indicators of long term prospects. This permits the identification of those communities which could face rapid growth and those which may be affected by declining levels of economic activity.

- Policy development for the distribution of special, transitional and loss of revenue grants.

- Annual publication of *"Local Government Finance in Ontario,"* a statistical review of local government finances.

Provincial-municipal affairs secretariat

The secretariat performs a liaison function between the Province of Ontario and those municipal organizations which collectively represent local government in Ontario.

In 1981 the three principal municipal associations amalgamated to form the new Association of Municipalities of Ontario. This new single municipal association represents almost all of Ontario's 838 municipalities.

With the creation of the new association, the Provincial Municipal Liaison Committee ceased to exist. A new process of provincial-municipal consultation was developed jointly by AMO and the Minister of Municipal Affairs and Housing and the AMO executive. In addition, the secretariat arranges such other meetings with members of the cabinet as are required to assist the provincial-municipal dialogue.

The secretariat produces *Background*, a weekly newsletter on topics of current interest in local government, publishes annually the *Municipal Directory* and circulates six times yearly a summary of municipal resolutions and responses.

Subsidies branch

The subsidies branch provides municipalities with appropriate financial and management resources to meet their responsibilities through loan, grant and transfer payments.

The branch administers programs to encourage the continued use of farm and forest lands through tax rebates to property owners, and the creation of additional jobs through grants to private sector employers.

Subsidies branch program details 1981-82

Program	Total Amount Paid	Total Clients Served
Disaster Relief Assistance Program	$ 80,062	2 municipalities
Farm Tax Reduction Program	69,000,000	172,000 properties
Involvement in Municipal Administration Program	647,807	301 students
Managed Forest Tax Reduction Program	1,000,000	8,725 properties
Marinas and Boating Facilities Program	202,737	13 municipalities
Municipal Energy Audit Program	178,800	19 municipalities
Ontario Municipal Training Program	102,163	20 students
Ontario Unconditional Grants Program	585,478,982	838 municipalities
Ontario Youth Employment Program	30,000,000	22,000 employers 55,000 jobs
Provincial Parks Program	311,916	95 municipalities
Provincial Properties-Payment in Lieu of Taxes	17,320,987	650 municipalities
Shoreline Property Assistance Program	907,100	87 public 48 business
Special Emergency Assistance Program	512,791	9 municipalities
Tenant-Occupied Provincial Properties Program	3,100,074	605 municipalities

Municipal operations division

The municipal operations division provides a full range of advisory services to improve local government effectiveness and monitors financial management and reporting requirements for municipalities.

Boundary disputes and boundary-related issues can be resolved through the Municipal Boundary Negotiations Act.

A network of 10 field offices assists the division.

Field services branch

The field services branch operates a network of 10 field services offices in Ontario to advise and assist municipalities, the public, other government ministries and agencies on all aspects of local government.

Field offices are located in Thunder Bay, Sudbury, North Bay, Ottawa, Kingston, Oshawa, Orillia, Cambridge, Guelph and London with a head office in Toronto.

Staff members of the field offices have the first line responsibility to assist municipalities to comply with recognized practices and maintain financial stability. Problems are usually resolved at the local level. When necessary, the field office staff will provide on-site assistance.

The branch prepared the background material on special assistance by way of grants or loans due to extenuating circumstances. In the fiscal year the minister approved one loan and 23 grants.

Data relating to transitional grants or annexations or amalgamations is prepared by the branch.

The rapport between branch staff and municipal officials is developed by branch seminars for municipal staff and attendance as resource people at municipal association and zone meetings.

The branch reviews the financial reports of all municipalities. Weaknesses are identified and taken up with the municipality and the auditor.

The branch assists upper- and lower-tier municipalities with the gathering of data and calculations used in the annual upper-tier apportionments.

The branch, with the consent of a municipality, will engage outside consultants to assist municipal staff in resolving administrative and financial difficulties.

Municipal boundaries branch

An act to facilitate the negotiation and resolution of municipal boundary and boundary-related issues was proclaimed Feb. 1, 1982. The purpose of the act is to provide a process whereby municipal politicians on all sides of a boundary-related issue can resolve matters by direct inter-municipal negotiation.

The Municipal Boundary Negotiations Act was the result of three years of review and consultation with municipalities and an inter-association working group on annexations and amalgamations. This group represented the former Association of Municipalities of Ontario, the Rural Ontario Municipal Association and the Association of Counties and Regions of Ontario.

The process was successfully tested through a pilot project involving the City of Brantford, the Township of Brantford and the County of Brant in the spring of 1980. The results were further reinforced when the long-standing boundary dispute between the City of Barrie and the Township of Innisfil was resolved in late 1981 using the same process.

The function of the municipal boundaries branch is to administer the new act, to provide resources to carry out fact-finding inquiries on behalf of the minister and to act as facilitators and mediators to assist municipalities in resolving boundary and related issues.

The process consists of six separate, usually sequential steps:

—orientation of municipal council and staff
—application for initiation of procedures provided for in the act by a municipality
—fact-finding by municipal boundaries branch staff, on behalf of the minister
—negotiations between affected municipalities chaired by a chief negotiator from the municipal boundaries branch
—an agreement or non-agreement
—minister's action.

In certain circumstances one or more of the steps may not apply, such as when fact-finding results in an agreement without the need for formal negotiations.

During 1981/82, the branch responded to 18 invitations from municipalities to outline the boundary-issue resolution process.

Staff of the branch conducted information seminars on the process at Public Service Liaison Committee conferences in Kincardine and Chatham and prepared a bulletin entitled *How Boundary Issues are Resolved in Ontario*.

Municipal management policy branch

The municipal management policy branch is the focus for a broad range of provincial initiatives to promote and provide assistance for the effective management of Ontario's municipalities.

The activities of the branch are designed to achieve three primary objectives:

—On behalf of the provincial government, the branch encourages compliance with provincial policies and legislation by municipalities and ensures effective administration of related ministry programs.

—It advises the province, municipalities, municipal organizations, government agencies and the public on trends and issues in municipal management.

—The branch promotes the application of modern technologies and techniques to improve management capabilities of municipalities.

Management advisory publications on a wide range of administrative, financial and organizational matters and on issues of special interest to municipal administrators are prepared by the branch. Some of the topics include: by-law enforcement, records-retention bylaws, local improvement, cablecasting, municipal elections, conflict of interest, joint services and property taxation billing and collection.

To assist municipal staff who are about to enter the world of computers or who want to upgrade their installations, the branch published a comprehensive directory on municipal hardware, software, applications and operations.

The publication *Performance Measurements for Municipalities* introduces the use of performance measures in the municipal sector. Performance measurement is an essential ingredient of a good management system.

The *Municipal Financial Reporting Handbook*, the first of its kind to be published in Canada, sets out the accounting principles and disclosure guidelines that will be used by municipal treasurers in the preparation of their annual audited financial statements.

Specialized advice is provided to municipalities and their associations and educational institutions in relation to special projects concerning municipal organization and management.

In response to a growing interest on the part of individuals and organizations, the branch, with the assistance of the Ontario Municipal Administrators Association, completed a study of the chief administrative officer (CAO) and related administrative systems in Ontario. Based on comprehensive interviews with CAOs, heads of council and municipal staff, the study describes and analyzes the way the CAO system was conceived, how it is being used and how it compares with other jurisdictions.

"Accountability in the local government environment," which is Phase I in a study of the role of the municipal auditor, aims at providing an understanding of the accountability patterns within municipalities and between municipalities and senior levels of government. The next phase of the ministry's study will review the auditor's role in local government.

Municipal analysis and retrieval system (MARS)

MARS is a unique municipal information data bank that permits analysis and evaluation of the local sector for policy development and review of municipal finance trends.

The data bank is also used by 10 branches of the provincial government in the development of the provincial budget, municipal financial policy and the administration of unconditional grants.

The MARS facility is also being employed in the development of a simulation model to analyse the impact of municipal boundary changes and in the application of new technologies to municipal financial reporting, comparative analysis and management information systems.

The MARS information is being made available to other parts of the government, to municipalities, consultants, academics, rating agencies and others interested in Ontario's municipal sector.

Municipal Action '85

Governments today are faced with the increasingly complex challenge of providing the most effective management possible, within new economic realities. It's a challenge that is particularly strong at the municipal level, where billions of dollars are spent every year providing essential services, and where financial constraints are often most intense.

In response to these challenges, the ministry initiated Municipal Action '85. It is a farsighted program of information sharing, opportunity and financial assistance aimed at enhancing the capacities of municipalities for self-administration.

Municipal Action '85 provides direct funding in three general program categories: training and development; budget accounting and control systems; and advanced management initiatives such as research on micro-computers and development of a municipal reference directory.

Community development wing

The community development wing of the ministry helps meet the housing needs of low- and moderate-income families, senior citizens and disabled persons through a variety of programs. It is also responsible for the development of housing policies and federal-provincial relations with respect to government-assisted housing.

The wing has four components: market surveys section, housing renovation and energy conservation unit, community housing division and technical services division which support general aims and objectives of the wing.

The market surveys section works with municipalities with populations of less than 10,000 to assist in identifying general housing requirements through municipal housing statements. For larger municipalities, the section conducts surveys which identify the specific needs for assisted housing.

The community housing division assesses those needs and decides which program would be most appropriate for the particular community. Councils are presented with program options and community housing staff explain issues such as the proposed location of a development, cost, management and ongoing administration. The division is involved in various programs including financial help for resident homeowners who wish to repair their homes.

Backing up the community housing division is the technical services division. In addition to offering engineering, architectural and appraisal services, the division has a research and development section.

The housing renovation and energy conservation unit joined the wing in December, 1981. The unit is responsible for developing and implementing initiatives with the private and public sectors in housing renovation and energy conservation.

Community housing division

Through the municipal non-profit program, the province committed a total of 2,052 units, of which 1,658 were for families and 394 for senior citizens in 17 municipalities.

In addition, $9.2 million was disbursed to 11 municipal non-profit corporations under the federal community services contribution program (CSCP), while $505,854 in incentive loans and grants were distributed to 30 municipalities and non-profit housing corporations under the province's municipal non-profit housing program.

During the year, agreements were signed for 584 units in 36 municipalities under the rent supplement program. Of these, 475 units were obtained from projects which received Ontario rental construction loan program assistance. An additional 70 units were approved under the private assisted rental program. Another 53 senior citizen and five family units were committed under the provincial assisted rental program along with 367 municipally-sponsored senior citizen housing units in Metro Toronto.

During 1981-82 an additional 314 units were committed under the ministry's community housing assistance program. Under this program, the province will provide financial assistance to tenants in 16 non-profit and co-operative projects in 13 municipalities. A sum of $84,754 was allotted to these projects.

The ministry's mortgage committee also certified a total of 24 loans for 1,592 units:

Program	Units		Amount ($)
	Families	Seniors	
Private assisted			
Rental			
Provincial assisted		70	1,598,850
Municipal non-profit	5	73	2,856,134
	1,169	275	70,991,394
	1,174	418	75,446,378

A total of 217 family units in 62 municipalities and 78 senior citizens units in four municipalities were also approved in municipalities of less than 2,500 population under the federal-provincial rural housing program.

Approximately $6.2 million was made available to builders under the Ontario rental construction loan program. In total, 12,571 rental units in 17 municipalities were provided with grants to help bridge the gap between costs and economic rents. Another $5.9 million went to non-profit groups through monthly rent reduction grants covering approximately 14,000 units in 34 municipalities. Of this, approximately $2.5 million went to municipally-sponsored units.

During the year, 358 Ontario municipalities received per-capita grants totalling over $19.5 million under the Ontario home renewal program. Since OHRP commenced in late 1974, almost 700 municipalities have taken part.

In unorganized communities, OHRP is administered through Ministry of Northern Affairs offices. Homeowners in these areas received 72 loans totalling $390,600 during the year. Since the program's inception, more than $5 million in loans have been approved for 1,100 applicants from unorganized communities.

Market surveys section

During the year, the market surveys section assisted 55 municipalities, 25 with municipal housing statements and 30 with assisted housing surveys. An additional 87 municipalities were being surveyed at the year's end.

An annual housing review questionnaire, used to update the assisted housing portion of housing statements, was distributed to all municipalities. A total of 422 responded, representing more than 57 per cent of the province's population, indicating a total need for 2,878 senior citizen and 6,622 family housing units.

Staff continued to serve on two interministerial committees.

The task force on aging completed its report *The Elderly in Ontario: An Agenda for the 80s*, identifying 15 areas of action, 11 requiring Ministry of Municipal Affairs and Housing participation.

The major review comprising this

ministry and the Ministries of Community and Social Services, Health, Revenue, and Treasury and Economics, is of shelter trends for the elderly and future alternative policy options, including the roles of public and private sectors. An interim report is to be prepared by the fall of 1982.

The task force on native peoples in an urban setting includes representatives from this ministry, the Ministries of Community and Social Services, Citizenship and Culture, and Health. Native representation is from Ontario Native Women's Association, Ontario Federation of Indian Friendship Centres and Ontario Metis and Non-Status Indian Association. The research report *Urban Native Realities* is to be published in 1982.

Housing renovation and energy conservation unit

The housing renovation and energy conservation (HREC) unit has established in 1980 as part of the ministry's efforts to establish regular liaison between the public and private sectors. The major objective of the unit is to facilitate effective housing renovation and energy-conserving measures.

The HREC unit has established ongoing liaison activities with interest groups representing municipalities, professional groups and the building industry. The primary objective has been to identify major impediments to effective housing renovation or energy-conserving activity.

In order to increase public awareness and to encourage greater participation in energy conservation and housing renovation, the unit has established an annual awards program to recognize accomplishments in housing renovation. It also published newsletters, pamphlets, booklets and posters and demonstrated, through a pilot project, the benefits of caulking and weatherstripping as an essential first step toward energy-conservation.

The unit is assisting in establishing and promoting training sessions for various groups engaged in housing renovation.

In conjunction with other provincial ministries and industry representatives, the unit has been involved in drawing up residential rehabilitation guidelines as a supplement to the Ontario Building Code. The aim is to create flexibility to allow effective renovation and energy-conserving measures in older residential buildings while retaining the health and safety provisions of the code.

The unit assisted the Canada General Standards Board in implementing a certification program to improve the technical and professional competence of insulation contractors and ensure quality workmanship for consumers.

1981 Forum: *Building Toward 2001*

The HREC unit organized this international conference on housing renovation and energy conservation attended by approximately 1,200 representatives of industry, government, and professional groups.

Chief architect's branch

The branch function is to develop, establish, and administer all site development, planning, architectural and landscape architectural design standards and to co-ordinate engineering and construction standards for all ministry community development housing programs.

During the year, the branch produced modified tender-call documents for 12 Ontario Housing Corporation projects (270 units) for a total value of $8 million; for four municipal non-profit projects (82 units) for a total value of $3 million.

It provided technical reviews of 39 municipal non-profit projects (2,504 units) of a total value of $94 million and carried out architectural and landscape architectural inspections for 12 OHC projects (388 units) of a total value of $11 million.

Architectural and landscape architectural inspections were conducted on 32 municipal non-profit projects (2,844 units) of a total value of $101 million.

The branch issued updated standards documents for OHC projects and updated guideline documents for the municipal non-profit housing program. It also developed new guideline documents for municipal non-profit housing on senior citizen furnishing, neighborhood and project "relandscaping," and special projects with care facilities.

At year's end, three additional OHC projects were being designed and 16 additional non-profit projects were being reviewed.

Technical services division

The technical services division offers engineering, architectural and appraisal services for the ministry's housing programs. In addition, the research and development section carries out projects under the ministry's energy management program.

Chief appraiser's branch:

The appraisal branch carries out the valuation of buildings and land projects submitted for any purpose under all programs by or to the ministry or its associated Crown corporations, and certifies lending values for National Housing Act insurance of private-lender mortgages.

The chief appraiser's branch processed:

—Forty proposals under the municipal non-profit housing program (NHA, section 56 1) with an approximate value of $122,095,800.

—Two provincially-assisted projects (NHA, Sect. 44.1 (a)) with an approximate value of $1,566,250.

—Six applications for senior citizen housing (NHA, section 40, rural housing) with an approximate value of $4,145,650.

A total of 130 applications for rent supplement program purposes were reviewed. In addition, 214 foreclosure appraisals and various other services, were provided to Ontario Mortgage Corporation (OMC).

The branch was also involved in other functions such as rental surveys to determine market rents under the Ontario rental construction loan (ORCL) program administered by OMC.

Appraisals were carried out for OHC and Ontario Land Corporation and rental surveys were conducted at 59 locations throughout the province.

Chief engineer's branch

The chief engineer's branch provided engineering reviews of 29 submissions of design drawings for 14 OHC projects, with a total value of $9 million and for 113 submissions for 40 municipal non-profit projects, totalling $94 million in value.

Construction administration and inspection services were provided for 12 OHC projects, with a total value of $11 million.

Construction inspections of 32 municipal non-profit projects, totalling $101 million, were carried out.

Site investigations were made at eight locations and soil investigations were carried out on two proposed sites.

Research and development section

The research and development section under the ministry's energy management program undertook 30 projects, primarily in the space-conditioning and solar fields.

Seventeen projects were completed and 13 were underway at year's end. Thirteen new projects are planned for the 1982/83 fiscal year. In addition, four non-energy related projects were undertaken.

Ontario

Office of the
Chairman

Ontario
Housing
Corporation

101 Bloor Street West
Toronto Ontario
M5S 1P8

THE HONOURABLE CLAUDE F. BENNETT
MINISTER OF MUNICIPAL AFFAIRS AND HOUSING

SIR:

It is my honour, on behalf of the Board of Directors, to present the Annual Report and Statement of Accounts of the Ontario Housing Corporation for the year ended 1981.

Respectfully submitted,

Allan R. Moses
Chairman of the Board

Ontario Housing Corporation

Board of directors

A.R. Moses, chairman
J.A. Marrese*, vice-chairman
(To June 30, 1981)
R.M. McDonald, vice-chairman
(From July 1, 1981)
J.A. Bird
R.G. Crompton
J.F. Kelleher
J.A. Lambe
J.E. O'Brien
M.A. O'Brien
G.P. Puddicombe
S. Sadinsky*
J.A. Yaworsky

*No longer serving

Report of the chairman of the board

The fiscal year saw the completion of Ontario Housing Corporation's decentralized property management approach with the inauguration of the Peel Regional Housing Authority.

Across the province the day-to-day management of public housing is now the responsibility of appointed local citizens sensitive to local condition.

Decentralization, begun in 1974, is based on the concept that, while the primary responsibility for assisted housing should remain with the province, the day-to-day management decisions should be made by members of the housing authorities, private citizens serving voluntarily with intimate knowledge of their communities.

With this in mind, the members of the corporation's board of directors expanded their dialogue with housing authority members by arranging a series of seminars to discuss issues of mutual concern.

These regional seminars have strengthened communications, not only between the corporation and the housing authorities, but between housing authorities themselves. They have become a very important part of OHC's relationship with the housing authorities.

The very size of OHC's portfolio underscores the need for such a dialogue. At the end of the year under review the corporation had 84,257 housing units made up of 48,042 for families and 36,215 for senior citizens. The corporation also had 10,447 units under rent supplement program agreements, for a total portfolio of more than 94,700 units.

OHC is also involved in subsidizing rent-geared-to-income units developed under other programs. In 1981 the corporation was providing financial assistance for a total of more than 112,000 units, including those in its own portfolio.

A highlight of the year was the decision to extend the corporation's mandate to include mentally-retarded persons who are capable of living independently.

Rent-geared-to-income housing is now provided for low-income families and senior citizens, the physically disabled and the developmentally handicapped.

The decision has opened the doors to affordable accommodation for many mentally-retarded persons with skills to maintain their own homes and who can now derive the maximum benefits from living in a community setting.

Still on the subject of people — that's what we are all about — the corporation revised its point-rating system, used to determine priorities on waiting lists, to reflect financial hardship.

Under the revised family point-rating system, 44 per cent of the points available now relate to an applicant's income and shelter costs, compared to only 30 per cent under the former system in Metro Toronto and 16 per cent elsewhere in the province.

The senior citizen point-rating system continues to place the greatest emphasis on financial items such as income and shelter costs. The percentage of points awarded for such items was increased from 47 to 60 per cent.

In the area of energy conservation, work began on the installation of a solar domestic hot water heating system on top of a 10-storey apartment building in Metropolitan Toronto, the first such system to be added to an existing OHC development.

A joint venture under the housing energy management program of the Ministry of Municipal Affairs and Housing and the Ministry of Energy, the $109,000 system is expected to result in a 20 to 30 per cent saving in water heating costs.

Within the corporation, an organizational change of note was the appointment of Robert McDonald, assistant deputy minister in charge of community development, as a member of the board of directors and vice-chairman of OHC. Subsequently he was elected by the board as chief executive officer of the corporation. The appointment was a move to forge a stronger link between OHC and housing programs within the ministry's community development wing.

Mr. McDonald tackled his new duties with drive and determination. He made

a contribution to the corporation before his move at the end of the year to the position of deputy minister of the Ministry of Community and Social Services. We all wish him well in his challenging new endeavor.

In conclusion I would like to pay tribute to the dedication of the staff of the corporation for their worthwhile efforts in the provision of housing for those less fortunate in our society.

Of course, a word of thanks is due as well to my fellow board members for their support, and to the members of the housing authorities for their endeavors in making Ontario's assisted housing program among the best in Canada.

Being involved in public housing administration is both challenging, particularly at this time of government constraints, and rewarding when one considers that OHC is providing affordable housing to some 200,000 people across the province.

In my mind, there are 200,000 reasons why all those associated with public housing, whether in the corporation, the ministry or on the membership or staff of the housing authorities, should take pride in their achievements.

Allan R. Moses
Chairman

Ontario Housing Corporation

Ontario Housing Corporation provides rent-geared-to-income housing for families and senior citizens with low and moderate incomes as well as physically-handicapped and mentally-retarded individuals. It is responsible for managing the rental properties through agreements with local housing authorities.

OHC also acquires the use of accommodation in properties not owned by the corporation, through the rent supplement program.

During the year construction began on 315 units. (Statistics used elsewhere in this report may vary due to differences in fiscal years.)

A total of seven tender calls were issued for a total of 132 senior citizen and 14 family housing units.

The corporation secured rent supplement units during the year to bring the total at the year end to 10,447. These units provide accommodation for rent-geared-to-income tenants in buildings owned by private landlords and help to integrate low-income tenants into the community.

In 1981 there were 15 projects taken under administration, for a total of 583 units.

At year's end, the corporation had the following units in its portfolio:

Family	48,042
Senior citizen	36,215
Total	84,257

In addition, OHC was administering rent supplement program agreements covering 10,447 units.

Tenant placement waiting list as of Dec. 31, 1981.

Family	13,972
Senior citizen	8,206
Total waiting list Family and senior citizen	22,178

Housing operations branch

The branch is responsible for ensuring that the province's portfolio of assisted rental housing is operated efficiently and maintained properly.

OHC has management agreements with 61 housing authorities for the provision of a full range of property management services.

Six branch offices provide resources and technical assistance to the housing authorities and conduct regular management reviews to ensure compliance with OHC policy and procedures.

The branch monitors the expenditure of all funds provided for the operation of the various properties and determines priorities of expenditure across a wide range of operational requirements. In 1981, the expenditures totalled $362,670,390, with revenues of $127,171,280.

The numbers and types of units and programs managed are shown elsewhere in this report.

Maintenance engineering branch

The preparation of plans and specifications, the calling of tenders and the administration of large-scale upgrading and remedial works in all areas of building technology continued to be the major activity of the branch.

More than 500 individual services were provided to the 61 housing authorities throughout the province, the majority for the Metro Toronto Housing Authority.

Four-year phased programs set up by the branch for province-wide implementation by housing managers of energy conservation and sprinkler upgrading were approximately 75 per cent completed by the end of the year.

A three-year phased program for the testing and upgrading of fire alarm and emergency systems (dynamic testing) in 874 apartment buildings got underway in the portfolios of 60 housing authorities. The program was scheduled to commence in 1982.

The ongoing correspondence course in safety conducted by the safety programs co-ordinator was taken by 125 staff members and completed successfully by most.

Many inquiries were received by the branch from both private and public institutions from across Canada and the U.S. on programs established by the branch. Interest was shown in the smoke detector programs and computerized monitoring of the annual maintenance. Information was requested on the computerized energy conservation reporting system, as well as the competitive tendering system for elevator maintenance based on OHC specifications and contracts signed on OHC agreements.

Operational planning branch

During the year the program to expand and restructure the housing authority system in Ontario was completed with 61 housing authorities managing the corporation's portfolio.

A significant achievement was the implementation of a program to offer subsidized housing to mentally retarded persons and the introduction of procedural guidelines to assist the local housing authorities in placing applicants in this client group.

A new point rating system giving

greater weight to affordability factors was introduced together with necessary forms and procedural guidelines.

A new leasing procedure was inaugurated. The leases of all tenants will automatically convert to continuing monthly leases upon expiration of the first year of the tenancy, thus eliminating the need for annual renewal of the lease and formal execution of a new document.

A new senior citizen rent scale, developed in co-operation with Canada Mortgage and Housing Corporation, was introduced. The principal effects of this new scale were to increase over a period of two years the proportion of gross income paid in rent from 20 per cent to 25 per cent in keeping with the national scale and to separate the charges for domestic hydro from the basic rent calculation.

In policy development and program analysis a number of important studies and evaluations were initiated. The majority of these were concerned with eligibility for subsidized housing, verification of tenants' incomes, determination of gross family incomes and rent calculations, charges and allowances to be made for utilities and services and the transfer of tenants between units.

Two particularly significant items were a study to assess the degree of tenant satisfaction with environment and the landlords' management in rent supplement units and an evaluation of the senior citizen assets policy.

A major overhaul and reprinting of the corporation field manual of administrative procedures was begun to update, clarify and consolidate information and procedures.

ONTARIO HOUSING CORPORATION
Incorporated without share capital under
the Ontario Housing Corporation Act

Balance Sheet
December 31, 1981

ASSETS	1981 ($000's)	1980 ($000's) (note 13)
Accounts receivable	1,536	5,879
Contribution due from the Treasurer of Ontario (note 3)	62,333	61,787
Other assets	412	455
Mortgages and loans receivable	14,060	10,090
Land leased, at cost	2,308	2,308
Investment in properties		
- Projects under development, at cost (note 4a)	11,945	25,624
- Federal-Provincial housing, at cost, less accumulated amortization of $3,048; 1980 - $2,920	14,618	13,158
- Student housing on leased land, at cost, less educational institutions' equity of $3,326; 1980 - $2,999 (note 4b)	64,976	65,303
- Provincial housing, at cost, less accumulated amortization of $37,760; 1980 - $32,902	1,275,715	1,261,076
	1,447,903	1,445,680

See accompanying notes to financial statements.

On behalf of the Board:

Chairman

General Manager

LIABILITIES	1981 ($000's)	1980 ($000's) (note 13)
Bank indebtedness	3,746	5,290
Accounts payable and accrued liabilities (note 5)	54,153	52,671
Holdbacks and deposits on construction contracts	1,243	2,346
Mortgages and debentures (note 6)		
- Canada Mortgage and Housing Corporation	1,196,150	1,195,588
- Other	17,284	11,122
Capital indebtedness to the Treasurer of Ontario (note 6)	175,327	178,663
	1,447,903	1,445,680

ONTARIO HOUSING CORPORATION

Statement of Operations
Year ended December 31, 1981

	1981 ($000's)	1980 ($000's) (note 13)
LOSS ON HOUSING OPERATIONS		
Assisted housing operations		
Rental revenue	130,202	114,733
Expenses		
Property operating expenses	190,833	164,996
Grants in lieu of municipal taxes	54,138	48,977
Amortization (principal repayments and interest)	112,343	108,512
	357,314	322,485
Loss on assisted housing operations (note 7)	227,112	207,752
Loss on rent supplement operations (note 8)	35,528	32,756
	262,640	240,508
Less: Canada Mortgage and Housing Corporation and municipalities shares (note 2)	134,717	127,546
	127,923	112,962
Provincial contributions to municipal housing projects (note 9)	9,992	8,192
Loss on housing operations	137,915	121,154
OTHER REVENUE AND EXPENSES		
Other revenue		
Interest	9,260	7,730
Administration and management fees	8	8
	9,268	7,738
Other expenses		
Interest (note 10)	7,003	12,330
Loss from disposal of real property	286	360
Administration (Schedule)	1,779	2,884
	9,068	15,574
Net other (revenue) expenses	(200)	7,836
NET OPERATING LOSS FOR THE YEAR	137,715	128,990
CONTRIBUTION BY THE TREASURER OF ONTARIO (note 3)	137,715	128,990

See accompanying notes to financial statements.

SCHEDULE

ONTARIO HOUSING CORPORATION

Administration Expenses
Year ended December 31, 1981

	1981 ($000's)	1980 ($000's) (note 13)
Salaries and benefits	387	370
General and office expenses	142	79
Transportation and communication	5	5
Supplies and equipment	2	4
Grants and other expenses	167	19
Administrative support services (note 11)	8,801	9,299
	9,504	9,776
Less: Recovery of administration expenses	7,725	6,892
	1,779	2,884

See accompanying notes to financial statements.

ONTARIO HOUSING CORPORATION

Notes to Financial Statements
December 31, 1981

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles with the following exceptions:

(i) investments in Provincial and Federal-Provincial properties (land and buildings) are amortized over the terms of the corresponding indebtedness; and

(ii) building costs of student housing are amortized over the terms of the land leases.

(b) Capitalization of Costs

Carrying charges for properties under development are capitalized and include interest, administration expenses and grants in lieu of municipal taxes.

(c) Self-Insurance

The Corporation follows the policy of self-insuring its Investment in Properties for property damage such as fire, water and vandalism. Costs of such repairs are charged to property operating expenses.

2. SIGNIFICANT CHANGE IN OPERATIONS

On March 11, 1980, the Government of Ontario announced its intention to assume the 7-1/2% municipal share of losses on all assisted housing programs. The new cost-sharing arrangement affects the Corporation's losses on provincial, federal-provincial and rent supplement programs, effective April 1, 1980.

3. CONTRIBUTION DUE FROM THE TREASURER OF ONTARIO

The receivable of $62.333 million (1980 - $61.787 million) represents the amount due from the Treasurer of Ontario for the current year's net operating loss less advances received to date.

4. INVESTMENT IN PROPERTIES

(a) Projects under development

Carrying charges for land under development were capitalized in the amount of $1.111 million (1980 - $2.886 million).

(b) Student housing on leased land

This investment represents capital costs incurred by the Corporation to provide student accommodation on land leased from 11 unversities and colleges. The educational institutions make semi-annual repayments of the capital advances. When the loan is fully repaid, the title to the properties will be transferred to the respective institutions.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of:

	1981 ($000's)	1980 ($000's)
Canada Mortgage and Housing Corporation	20,110	20,589
Other	34,043	32,082
	54,153	52,671

6. MORTGAGES, DEBENTURES AND CAPITAL INDEBTEDNESS

The Corporation borrows funds from Canada Mortgage and Housing Corporation (CMHC), the private sector and the Treasurer of Ontario to finance investments in real property. Such borrowings are repaid in accordance with agreement terms, over periods normally not in excess of 50 years.

Interest is payable to CMHC and the private sector at various rates based on individual agreements ranging from 4.25% to 14.50% - effective rate of 8.09% (1980 from 4.25% to 11.00% - effective rate of 8.03%). Interest is also payable to the Treasurer of Ontario at the weighted average rate of 8.29% (1980 - 8.41%).

6. MORTGAGES, DEBENTURES AND CAPITAL INDEBTEDNESS (Cont'd)

Estimated scheduled principal repayments over the next five years due for all long term debts are as follows:

	($000's)
1982	6,231
1983	6,659
1984	7,117
1985	7,609
1986	8,037

7. LOSS ON ASSISTED HOUSING OPERATIONS

Under its assisted housing program, the Corporation essentially provides rental accommodation to families and senior citizens. The loss on this program is shared with Canada Mortgage and Housing Corporation. The municipal partnership participation ceased in accordance with the cost-sharing change referred to in note (2).

8. LOSS ON RENT SUPPLEMENT OPERATIONS

Under its rent supplement programs, the Corporation provides rent-geared-to-income accommodation within the private sector to applicants from its waiting list. The costs of these programs are shared with Canada Mortgage and Housing Corporation. The municipal partnership participation ceased in accordance with the cost-sharing change referred to in note (2).

9. PROVINCIAL CONTRIBUTIONS TO MUNICIPAL HOUSING PROJECTS

The Corporation contributed $9.992 million (1980 - $8.192 million) to The Metropolitan Toronto Housing Company Limited towards operating costs for senior citizen apartment units.

10. INTEREST EXPENSES

In the early part of 1980, a settlement was reached with respect to the outstanding condominium buy-back financial guarantees. Under the agreement with the construction companies, interest in the amount of $6.310 million was paid and expensed during 1980 and the Corporation was released from any further liability.

11. ADMINISTRATIVE SUPPORT SERVICES

The Ministry of Municipal Affairs and Housing provides central administrative support services to the Corporation. The charge for such support services was determined on a basis acceptable to both the Corporation and the Ministry.

12. COMMITMENTS

The Corporation is committed to spend an estimated additional $3.365 million to complete properties under development in accordance with development agreements entered into with various contractors.

13. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform with 1981 presentation.

Administration expenses of $1.125 million pertaining to 1980 were reclassified as shareable property operating expenses. This resulted in the Corporation recovering $0.585 million from Canada Mortgage and Housing Corporation. These adjustments have been reflected by a restatement of certain comparative figures in the Statement of Operations, the Schedule of Administration Expenses and the figure for "Contribution due from the Treasurer of Ontario" on the Balance Sheet.

Ontario

Office of the
Provincial
Auditor

Parliament Buildings
Queen's Park
Toronto, Ontario
M7A 1A2
416/965-1381

To the Members, Ontario Housing Corporation, and
to the Minister of Municipal Affairs and Housing.

I have examined the balance sheet of Ontario Housing Corporation as at December 31, 1981 and the statement of operations for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at December 31, 1981 and the results of its operations for the year then ended in accordance with the basis of accounting described in Note 1 to the financial statements, applied on a basis consistent with that of the preceding year.

In accordance with section 12 of the Ontario Housing Corporation Act, a report on the audit will be made to the Corporation and to the Minister of Municipal Affairs and Housing.

J.F. Otterman

Toronto, Ontario,
May 21, 1982.

J.F. Otterman, C.A.,
Assistant Provincial Auditor.

Ontario

Office of the Deputy Minister

Bureau du Sous-ministre

Ministry of Municipal Affairs and Housing

Ministère des Affaires municipales et du Logement

Queen's Park
Toronto, Ontario
M7A 2K5
416/965-3411

THE HONOURABLE CLAUDE F. BENNETT
MINISTER OF MUNICIPAL AFFAIRS AND HOUSING

SIR:

I have the pleasure on behalf of the Board of Directors of submitting for your approval, the Annual Report of the Ontario Land Corporation for the fiscal year ending March 31, 1982.

Respectfully submitted,

Ward Cornell
Chairman of the Board

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Ontario Land Corporation

Board of directors

Richard M. Dillon, Chairman
Robert W. Riggs, Vice Chairman & Chief Executive Officer
Bryan P. Davies
Herbert W. Hignett
James H. Joyce
A. Jerry Trusler
W. Wronski, Retired 12 November, 1981
Robert M. McDonald, Resigned 1 February, 1982

The year in review

The slowdown in the national and provincial economies of the previous year continued in fiscal 1981/'82 and interest rates remained high. This economic climate heightened competition for the reduced demand for serviced land.

Housing starts in 1981 in Ontario rose to 54,000 units from 40,000 the previous year due, in part, to the cancellation at the end of the year of the federal multiple unit residential building program and the province's Ontario rental construction loan program and the acceleration of starts before the cancellation dates.

In response to this environment, the corporation adopted flexible approaches to meet its objective of recovering the provincial land investment. This included a slowdown in development and servicing and intensive efforts to sell existing inventory and to pre-sell future production.

To provide an organized plan for repayment of outstanding obligations to the federal government, the corporation re-negotiated its loan-financing arrangements with Canada Mortgage and Housing Corporation. There were 74 outstanding debenture and loan arrangements consolidated into two agreements and a debt retirement fund was established to repay outstanding debentures of $112 million over a 20-year term.

New sales agreements reached $24,557,000 in 81/82, compared with $46,367,000 the previous year.

Sales agreements totalling $32,789,00 closed during 81/82 compared with $38,341,000 in the previous year.

New sales included lots for 1862 residential units and 193 hectares of industrial, commercial and institutional lands in Peterborough, Hamilton, Guelph, Brockville, Kitchener, Malvern and Townsend.

Malvern: Lots for 907 residential units were sold along with the final 11 hectares of industrial land in Neighborhood 10. This community with a population of approximately 30,000 is located in north-east Scarborough.

Development of a library and recreation complex in the central area was started by the borough. As well, draft plan approval was received for 1,760 units in Neighborhood 2.

Townsend: 71 residential lots were sold to builders in Townsend, a new town development located in the Region of Haldimand-Norfolk.

Construction of the first phase of the Village Centre was completed, and leases were under negotiation for a pharmacy, a convenience food store, a bank and professional and institutional offices.

OLC entered into a lease/purchase agreement with the regional municipality for construction of a $2.7 million administration building at Townsend. Construction began in spring, 1982, with completion scheduled for the next year.

Seaton: The corporation negotiated an official plan amendment with Durham regional council establishing an urban area of 2,800 hectares on the east side of the West Duffin Creek.

Heritage Green: A revised development plan for the community (formerly Saltfleet) was presented to the Town of Stoney Creek for its consideration. Construction of a major community recreational complex was started by the town, to include a library, community meeting rooms and auditorium.

Construction of 197 housing units and a 100-unit senior-citizen complex is underway.

Nepean: The Borden Farm project received final draft approval for a 550-unit development, two school sites, a church and a neighborhood commercial site.

Peterborough: Sale of an 8.7-hectare shopping centre site was completed with DSL Ltd. and a further 14.16 hectares of land were sold to the city for a future industrial site.

The corporation's land inventory is 27,676 hectares. Of the 25,246 hectares available under the corporation's farm-lease program, 96 per cent were leased through 1,118 individual agreements. Revenues were $3.04 million.

In the North Pickering assembly the number of outstanding final settlements from expropriation was reduced to 50 from 74 a year earlier.

A review and appraisal of the corporation's general treasury and accounting functions initiated the previous year was completed. A revised accounting organization was developed and transferred from the central support services of the ministry to the land development wing.

ONTARIO LAND CORPORATION

Incorporated without share capital under
the Ontario Land Corporation Act

Balance Sheet
March 31, 1982

ASSETS	1982 ($000's)	1981 ($000's)
Cash (note 7a)	51,916	34,310
Accounts receivable		
Canada Mortgage and Housing Corporation	1,813	9,191
Mortgage guarantee fund (Schedule)	-	110
Other	742	580
Note receivable		
Ontario Development Corporation	666	666
Mortgages, loans and agreements for sale (notes 4 and 7a)	79,811	76,300
Leased residential land (note 5)	35,883	36,192
Investment in land (note 6)	494,665	492,981
	665,496	650,330
Mortgage guarantee fund (Schedule) (note 9)	1,780	1,612

See notes to financial statements.

On behalf of the Board:

Director

Director

LIABILITIES	1982 ($000's)	1981 ($000's)
Accounts payable and accrued liabilities		
Ministry of Municipal Affairs and Housing	-	3,546
Canada Mortgage and Housing Corporation	2,464	1,038
Other	828	1,421
Holdbacks and deposits on construction contracts	3,884	2,722
Mortgages, debentures and similar indebtedness		
Canada Mortgage and Housing Corporation (note 7a)	111,959	105,225
Ontario Mortgage Corporation (note 7b)	1,985	1,869
Other	617	896
Capital indebtedness to the Treasurer of Ontario (note 8)		
Interest bearing	117,025	116,965
Non-interest bearing	402,056	399,881
Retained earnings	24,678	16,767
	665,496	650,330
Mortgage guarantee fund (Schedule) (note 9)	1,780	1,612

ONTARIO LAND CORPORATION

Statement of Retained Earnings
Year ended March 31, 1982

	1982 ($000's)	1981 ($000's)
Balance, beginning of year	16,767	4,628
Earnings for the year	7,911	12,139
Balance, end of year	24,678	16,767

See notes to financial statements.

ONTARIO LAND CORPORATION

Statement of Earnings
Year ended March 31, 1982

	1982 ($000's)	1981 ($000's)
REVENUE (note 10)		
Land marketing operations		
Sales	13,868	23,146
Cost of sales	11,920	19,507
	1,948	3,639
Deferred revenue realized	2,360	3,479
	4,308	7,118
Interest		
Mortgages, loans and agreements for sale	8,232	7,426
Bank deposits	8,171	6,214
Other	1,095	1,361
Rental income from leased residential land	3,080	3,025
	24,886	25,144
EXPENSES (note 11)		
Interest		
Treasurer of Ontario	11,365	10,717
Canada Mortgage and Housing Corporation	9,971	8,691
Other	86	93
	21,422	19,501
Less interest capitalized during year to investment in land (notes 2d and 3)	3,508	6,684
	17,914	12,817
Other	(939)	188
	16,975	13,005
Earnings for the year	7,911	12,139

See notes to financial statements.

SCHEDULE

ONTARIO LAND CORPORATION

Mortgage Guarantee Fund
as at March 31, 1982 (note 9)

ASSETS	1982 ($000's)	1981 ($000's)
Cash	57	39
Securities, at cost, including accrued interest (market value - $446; 1981 - $503)	807	807
Mortgages receivable arising through assignment	876	828
Mortgages receivable arising from sale of real estate	31	17
Real estate acquired by foreclosure	-	20
Due from Ontario Mortgage Corporation	9	11
Due to Ontario Land Corporation	-	(110)
	1,780	1,612

CONTINUITY OF FUND

Interest income	168	148
Loss on disposal of securities	-	19
Net increase	168	129
Balance, beginning of year	1,612	1,483
Balance, end of year	1,780	1,612

See notes to financial statements.

ONTARIO LAND CORPORATION

Notes to Financial Statements
March 31, 1982

1. BASIS OF OPERATIONS

Ontario Land Corporation was incorporated as a Crown Corporation by an Act of the Ontario Legislature on March 19, 1975. The affairs and business of the Corporation are managed or supervised by a Board of Directors consisting of a maximum of twelve members appointed by the Lieutenant Governor in Council.

The objective of the Corporation is to promote community and industrial development of land in Ontario by the acquisition, development and marketing of land to persons in the private and government sectors for residential, industrial and commercial purposes.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Provincial, Federal and Municipal Agreements

Under the normal course of business, the Corporation may enter into partnership arrangements with Canada Mortgage and Housing Corporation and with various municipalities for the acquisition, development and marketing of lands. The accounting and administration of such arrangements is performed by the Corporation. These financial statements have been prepared on the proportionate consolidation basis whereby the Corporation records only its share of assets, liabilities, revenue and expenses in partnership projects.

(b) Leased Residential Land

Leased residential land is recorded at the proportionate share of acquisition costs plus capitalized direct costs to the date such land is leased to home owners.

(c) Investment in Land

Investment in land is recorded at acquisition cost plus capitalized direct costs. Capitalized direct costs consist principally of interest (note 2d), planning and development costs, grants in lieu of taxes, and administrative costs. Revenue from the rental of undeveloped land is applied as a reduction in the investment in land.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Investment in Land (cont'd)

No attempt has been made to determine the net realizable value of land inventory as net realizable value is conditional upon the ultimate use which has yet to be determined.

(d) Capitalization of Interest to Investment in Land

(i) Acquisition and Related Costs

Capitalized direct costs of non-partnership lands, financed by debt from the Treasurer of Ontario, include interest to January 1, 1979, at which time advances (note 8b) relating to these costs became non-interest bearing. Interest on debt relating to Canada Mortgage and Housing Corporation debentures (note 3) has been capitalized to March 31, 1981. Interest on debt relating to Federal/Provincial partnership lands (note 2a) is capitalized annually.

(ii) Planning, Development and Related Costs

Interest on debt from the Treasurer of Ontario (note 8a) and Canada Mortgage and Housing Corporation (note 7a) is capitalized to Federal/Provincial partnership and non-partnership lands annually.

(e) Income Recognition

(i) Marketing Operations

Gains or losses on marketing operations are recognized and taken into income on the date title is conveyed to the purchaser except when the transfer results in the Corporation assuming a non-interest bearing deferred mortgage for the amount of the gain. In such circumstances, the full amount of the gain is deferred and recognized as income only when the status of a non-interest bearing deferred mortgage changes and active repayment begins.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Income Recognition (cont'd)

(i) Marketing Operations (cont'd)

For financial statement purposes, deferred gains, represented by non-interest bearing deferred mortgages, are recorded as a reduction of mortgages receivable to more fairly reflect the appropriate carrying value of such mortgages.

(ii) Leased Residential Land

Rental income from leased residential land is recognized as it becomes due. At the option of the lessee, the lessee may acquire title to the leased land, at which time, the resulting gain or loss on disposal of the land is recognized.

(f) Cost of sales

Land acquisition costs are allocated on an acreage basis to each subdivision under development. As subdivision components are marketed, each component bears its proportionate share of acquisition, direct costs and, where applicable, costs to complete based on an estimated share of net realizable value.

3. CHANGE IN ACCOUNTING POLICY

Pursuant to the debenture agreements entered into with Canada Mortgage and Housing Corporation during the year (note 7a), the Corporation changed its policy on capitalization of interest on such debt relating to land acquisition costs. Effective April 1, 1981, the Corporation no longer capitalizes this interest as a direct cost, instead it is included in the Statement of Earnings as a period cost (note 2d). The effect of this change is a decrease in earnings for the year of approximately $4.333 million.

4. MORTGAGES, LOANS AND AGREEMENTS FOR SALE

Details of mortgages, loans and agreements for sale managed by the Corporation, including partnership equities (note 2a), are as follows:

Mortgages, Loans and Agreements for Sale	1982				1981
		By Participant			
	Total	Canada Mortgage and Housing Corporation	Various Municipal-ities	Ontario Land Corporation	Ontario Land Corporation
	($000's)	($000's)	($000's)	($000's)	($000's)
Active residential mortgages and agreements for sale, interest bearing	98,201	34,987	711	62,503	65,701
Deferred mortgages, non-interest bearing (note 2e(i))	66,239	36,221	59	29,959	32,469
Builders' mortgages, interest bearing	23,034	11,581	-	11,453	7,367
Other, interest bearing	6,114	259	-	5,855	3,232
	193,588	83,048	770	109,770	108,769
Less deferred gains (note 2e(i))	(66,239)	(36,221)	(59)	(29,959)	(32,469)
TOTAL	127,349	46,827	711	79,811	76,300

5. LEASED RESIDENTIAL LAND

Details of leased residential land owned by the Corporation, including partnership equities (note 2a), are as follows:

1982			1981
Total	Canada Mortgage and Housing Corporation	Ontario Land Corporation	Ontario Land Corporation
($000's)	($000's)	($000's)	($000's)
46,712	10,829	35,883	36,192

6. INVESTMENT IN LAND

Details of the investment in land managed by the Corporation, including partnership equities (note 2a), are as follows:

	1982 ($000's)	1981 ($000's)
Acquisition cost	300,579	297,115
Capitalized costs		
Interest	162,398	162,946
Development	33,786	35,014
Other	14,334	14,949
	511,097	510,024
Less: Other partners' equity	16,432	17,043
Ontario Land Corporation	494,665	492,981

7. MORTGAGES, DEBENTURES AND SIMILAR INDEBTEDNESS

(a) Canada Mortgage and Housing Corporation

As authorized by Order in Council 3703/81, dated December 23, 1981, the Corporation entered into agreements with Canada Mortgage and Housing Corporation to consolidate all outstanding advances and debentures into two debenture agreements under Sections 40 and 42 of the National Housing Act (N.H.A.). These debentures are repayable over a 20 year term in quarterly instalments of principal and interest from April 1, 1982 to December 31, 2001, as follows:

	Interest Rate (%)	Quarterly Blended Instalment ($000's)	Total Debentures ($000's)
N.H.A. Section 40	7.1697	922	39,231
N.H.A. Section 42	9.8378	2,071	72,728
		2,993	111,959

Scheduled principal repayments over the next five years for these debentures are as follows:

	($000's)
1983	2,185
1984	2,379
1985	2,591
1986	2,823
1987	3,075
Subsequent to 1987	98,906
	111,959

Also, in accordance with Order in Council 3703/81, the Corporation assigned a portion of its cash and mortgages receivable to a debt retirement plan on January 1, 1982. The assigned assets and future interest accumulations on such assets will facilitate the repayment of the debenture debt owing to Canada Mortgage and Housing Corporation.

7. MORTGAGES, DEBENTURES AND SIMILAR INDEBTEDNESS (cont'd)

(a) Canada Mortgage and Housing Corporation (cont'd)

Balances of the assigned assets as at March 31, 1982, are as follows:

	($000's)
Cash	33,082
Mortgages receivable	61,101
Total assets assigned	94,183

For financial statement purposes, the above amounts are not segregated and are reported under the appropriate statement captions.

(b) Ontario Mortgage Corporation

At March 31, 1982, the Corporation was indebted to Ontario Mortgage Corporation for mortgages on properties acquired due to default by the mortgagors. Interest and principal repayments are at varying amounts. The outstanding balance at March 31, 1982 is $1.985 million (1981 $1.869 million).

8. CAPITAL INDEBTEDNESS TO THE TREASURER OF ONTARIO

The Corporation obtains funds from the Treasurer of Ontario to finance its investment in undeveloped or partially developed lands, and in mortgages, leases and agreements for sale. These advances are repayable as funds are recovered from the assets for which these advances were made.

8. CAPITAL INDEBTEDNESS TO THE TREASURER OF ONTARIO (cont'd)

	1982 ($000's)	1981 ($000's)
(a) Interest Bearing		
Advances bear interest at an average of 9.9% (1981 - 9.4%)	117,025	116,965
(b) Non-interest Bearing		
(i) Subject to a maximum of $399 million	396,972	394,893
(ii) Subject to a maximum of $4.942 million non-interest bearing to March 31, 1985	4,763	4,607
(iii) Other	321	381
	402,056	399,881

9. MORTGAGE GUARANTEE FUND

The fund was established to secure a portion of the contingent liability of the Corporation for guarantees given for mortgages provided by private sector lenders.

The outstanding balance of approved lenders' mortgages guaranteed by the fund at March 31, 1982 is $24.327 million (1981 $26.140 million).

The Province of Ontario is liable for balances in excess of the fund.

A summary of the fund's activities from inception is as follows:

	1982 ($000's)	1981 ($000's)
Fee revenue	828	828
Interest income	965	797
	1,793	1,625
Net gain (loss) from operations	(13)	(13)
	1,780	1,612

10. REVENUE

Details of revenue generated by the Corporation, including partnership equities (note 2a), are as follows:

Revenue Generated by the Corporation	1982				1981
		By Participant			
	Total	Canada Mortgage and Housing Corporation	Various Municipal-ities	Ontario Land Corporation	Ontario Land Corporation
	($000's)	($000's)	($000's)	($000's)	($000's)
Land marketing operations					
Sales	32,789	18,921	-	13,868	23,146
Cost of sales	(22,593)	(10,673)	-	(11,920)	(19,507)
	10,196	8,248	-	1,948	3,639
Deferred revenue realized	4,765	2,405	-	2,360	3,479
	14,961	10,653	-	4,308	7,118
Interest					
Mortgages, loans and agreements for sale	13,702	5,405	65	8,232	7,426
Bank deposits	8,171	-	-	8,171	6,214
Other	1,095	-	-	1,095	1,361
Rental income from leased residential land	3,884	804	-	3,080	3,025
TOTAL	41,813	16,862	65	24,886	25,144

11. ADMINISTRATIVE EXPENSES

General administrative expenses are absorbed by the Ministry of Municipal Affairs and Housing.

12. CONTINGENCIES

Certain owners of land, whose property was expropriated by the Corporation, have applied to the Land Compensation Board of Ontario for reassessment of the compensation paid on the expropriation of their land. Additional compensation that may be awarded is to be determined by arbitration and negotiation, and is estimated at $4 million. During the year, the Corporation paid settlements amounting to $4 million. The amount of these settlements has been added to the cost of the acquired land. Further settlements, if any, made with respect to the outstanding actions, will be accounted for as a charge to the cost of land in the period in which settlement occurs.

13. RELATED PARTY TRANSACTIONS

During the normal course of business, the Corporation enters into numerous transactions with other Federal, Provincial and Municipal authorities in order to accomplish its corporate objectives. These related party transactions have not been disclosed herein because of the nature and frequency.

14. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform with the presentation adopted in 1982.

15. SUBSEQUENT EVENT

Order in Council 1367/82 dated May 20, 1982 authorized that the assets of Ontario Mortgage Corporation, including retained earnings, together with all obligations, liabilities and responsibilities of Ontario Mortgage Corporation be transferred, vested in, and assumed by Ontario Land Corporation retroactive to April 1, 1982.

An agreement will be signed between the two Corporations to assign all the authorized and issued capital stock of Ontario Mortgage Corporation to Ontario Land Corporation and to effect transfer of assets and liabilities, including retained earnings, retroactive to April 1, 1982.

Ontario

Office of the
Provincial
Auditor

Parliament Buildings
Queen's Park
Toronto, Ontario
M7A 1A2
416/965-1381

To the Board of Directors of the Ontario Land Corporation and to the Minister of Municipal Affairs and Housing.

I have examined the balance sheet of the Ontario Land Corporation as at March 31, 1982 and the statements of earnings and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1982 and the results of its operations for the year then ended in accordance with the accounting policies described in note 2 applied, except for the change in the method of capitalization of interest as explained in note 3 to the financial statements, on a basis consistent with that of the preceding year.

In accordance with section 29 of the Ontario Land Corporation Act, a report on the audit has been made to the Corporation and to the Minister.

D.F. Archer

Toronto, Ontario,
August 6, 1982.

D.F. Archer, F.C.A.,
Provincial Auditor.

33 Vetts

Ontario

Ministry of Municipal Affairs and Housing

Ontario Mortgage Corporation

60 Bloor Street West
Toronto, Ontario
M4W 3B8

THE HONOURABLE CLAUDE F. BENNETT
MINISTER OF MUNICIPAL AFFAIRS AND HOUSING

SIR:

On behalf of the Directors, I am pleased to present to you the Annual Report and Statement of Accounts of Ontario Mortgage Corporation for the year ending March 31, 1982.

Respectfully submitted,

H.W. HIGNETT, M.B.E.
Chairman of the Board and President

Ontario Mortgage Corporation

Board of directors

Herbert W. Hignett, President & Chairman of Board
A. Jerry Trusler, Deputy Chairman and Senior Vice President
Maurice J. Closs
Joseph A. Marrese
Mrs. Lee Martini
Charles C. Parsons
Stanley G. Payne
Robert W. Riggs
Paul M. Little, Resigned April 23, 1981

Report of the chairman of the board

The Ontario Mortgage Corporation, originally created to provide primary and secondary mortgage financing, continued to administer the repayments of mortgages and leases committed under various ministerial programs. The real estate department maintained responsibility for the administration of properties acquired through default. The year in review showed a marked increase in sales. All existing rental buildings were sold and the remaining leased, and vacant single-family housing units were offered for sale at market value.

A major activity during the year involved the Ontario Rental Construction Loan (ORCL) program with the objective of assisting in the production of 15,000 rental units, primarily in areas with low rental vacancy rates. The program was introduced to combat the decline in private rental construction activity, with up to 20 per cent of the units being made available on a rent-geared-to-income basis to qualified families and senior citizens. Some units were designed specifically for physically-disabled tenants.

At year's end, 15,731 units and funds amounting to $99.3 million had been committed. Mortgage advances had been made relating to 6,322 units. The balance of 9,409 units were under construction and scheduled for completion in fiscal years 1982/83 and 1983/84. In order to meet program criteria, footings or other base supports had to be in place before January 1, 1982.

Mortgage assets under administration at year end amounted to $781.3 million, including $24.4 million in real estate holdings, $212.2 million administered on behalf of Ontario Land Corporation, and $900,000 administered on behalf of private investors.

As a result of an upswing in the real estate market, mortgage acquisitions through foreclosure and quit claims were down. Major sales campaigns during the year increased the disposal of acquired properties at fair market values throughout the province.

Increasing interest rates were a major concern in the market. OMC maintained a policy of renewing its maturing portfolio at between one and two per cent below the average market rate.

On behalf of members of the board of directors, I wish to extend my appreciation to the officers and staff of OMC for their continued high quality of services, dedication and efforts throughout the year.

H.W. Hignett
Chairman

Ontario Mortgage Corporation

The Ontario Mortgage Corporation is responsible for the administration of mortgages and leases originally committed under various home ownership programs, as well as the administration, leasing and sales of an extensive real estate portfolio.

At March 31, 1982, mortgage and leasehold assets under administration totalled $781.3 million, consisting of 38,329 accounts. This total includes the mortgage and lease portfolio administered on behalf of Ontario Land Corporation in the amount of $212.2 million and a smaller portfolio amounting to $900,000 that OMC administers on behalf of private investors as a result of mortgage portfolio sales.

At year's end, OMC had reduced its real estate portfolio to 566 units. As a result of successful sales campaigns and an upturn in the real estate market, $42.2 million in sales were accomplished within this year.

During the fiscal year, 5,751 mortgages, with a total principal balance of $96.7 million, came up for renewal. As approved by the board of directors, interest renewal rates ranged from 14½ per cent to 18¼ per cent for four to five-year terms over the course of the year.

Ontario Mortgage Corporation continued to administer the Ontario Rental Construction Loan (ORCL) program. Through this program, a total of $99.3 million in second mortgages will be allocated to assist in the production of 15,731 rental units and provide a stimulus in the rental market.

As at March 31, 1982, funds totalling $21 million were advanced on 6,322 ORCL units completed or under construction. The balance of funds will be advanced during the 1982/83 and 1983/84 fiscal years as construction proceeds on the remaining commitments.

ONTARIO MORTGAGE CORPORATION

Balance Sheet
March 31, 1982

	1982 ($000's)	1981 ($000's)
ASSETS		
Cash	4,010	4,269
Funds on deposit with the Treasurer of Ontario	7,390	6,556
Securities (market value $5,468; 1981 - $6,234) (note 1a)	8,793	8,793
Accounts receivable	146	319
Mortgages (notes 1b, 2, 4 and 7)	522,881	506,814
Real estate (notes 1c, 3 and 4)	20,783	57,580
	564,003	584,331
LIABILITIES		
Accounts payable and accrued liabilities	2,703	2,531
Mortgages payable (note 5)	-	5,863
Advances from the Treasurer of Ontario (note 6)	548,655	568,155
	551,358	576,549
SHAREHOLDERS' EQUITY		
Capital stock - authorized and issued 10 shares, no par value	-	-
Retained earnings	12,645	7,782
	564,003	584,331

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

ONTARIO MORTGAGE CORPORATION

Statement of Earnings
Year ended March 31, 1982

	1982 ($000's)	1981 ($000's)
REVENUE		
Interest (note 8)	59,653	59,424
Other	1,189	937
	60,842	60,361
EXPENSES		
Interest	50,787	52,326
Administration (Schedule)	3,106	2,684
Loss on real estate operations (note 9)	2,086	3,599
	55,979	58,609
Net earnings for the year	4,863	1,752

Statement of Retained Earnings
Year ended March 31, 1982

	1982 ($000's)	1981 ($000's)
Balance, beginning of year	7,782	6,030
Net earnings for the year	4,863	1,752
Balance, end of year	12,645	7,782

See accompanying notes to financial statements.

SCHEDULE

ONTARIO MORTGAGE CORPORATION

Administration Expenses
Year ended March 31, 1982

	1982 ($000's)	1981 ($000's)
Salaries	1,849	1,584
Employee benefits	239	219
Transportation and communication	141	111
General and office services	833	741
Supplies and equipment (note 1d)	44	29
	3,106	2,684

See accompanying notes to financial statements.

ONTARIO MORTGAGE CORPORATION

Notes to Financial Statements
March 31, 1982

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Securities

Securities are stated at cost plus accrued interest.

(b) Mortgages

Mortgages are stated at cost, which essentially consists of amounts advanced, interest capitalized and accrued, taxes and other charges, less repayments, less an allowance for future mortgage losses. Capital gains or losses on mortgages are charged against the Mortgage and Real Estate Allowance.

(c) Real Estate

Real estate acquired upon default by mortgagors is carried at cost, less an allowance for real estate losses. Cost includes the mortgage receivable balance, accrued interest thereon, and amounts paid to acquire title to the property. No depreciation is charged on acquired real estate. Operating costs including improvements are expensed as incurred. Capital gains or losses on disposal of real estate are charged against the Mortgage and Real Estate Allowance.

(d) Supplies and Equipment

Furniture and equipment purchases for general office use are expensed in the year of acquisition.

2. MORTGAGES

Mortgages as at March 31, 1982 consist of the following:

	1982 ($000's)	1981 ($000's)
National Housing Act	75,770	74,421
Uninsured	453,920	438,978
	529,690	513,399
Mortgage and Real Estate Allowance	(6,809)	(6,585)
	522,881	506,814

These mortgages include an outstanding balance of $1.985 million (1981 $1.869 million) receivable from Ontario Land Corporation (OLC) for mortgages on properties acquired by OLC due to default by the mortgagors.

3. REAL ESTATE

As at March 31, 1982, the Corporation held 586 acquired properties (119 acquired in 1981-82) due to default by mortgagors. These properties consist of townhouses, condominium apartments, and single family homes.

	1982 ($000's)	1981 ($000's)
Acquisition costs of properties - title held by the Corporation	14,582	47,620
Properties held under Power of Sale	7,311	12,483
	21,893	60,103
Mortgage and Real Estate Allowance	(1,110)	(2,523)
	20,783	57,580

Subsequent to the year end, 5 additional units were acquired and 104 units were sold.

4. MORTGAGE AND REAL ESTATE ALLOWANCE

	1982 ($000's)	1981 ($000's)
Balance, beginning of year	9,108	10,177
Mortgage Insurance fees	89	32
Net capital loss on sale of real estate	(1,293)	(1,101)
Recovery of prior years losses	15	-
	7,919	9,108

The balance in the allowance account has been deducted from the applicable assets as follows:

	1982 ($000's)	1981 ($000's)
Mortgages	6,809	6,585
Real Estate	1,110	2,523
	7,919	9,108

5. MORTGAGES PAYABLE

These mortgages represent first mortgages outstanding on acquired rental apartment complexes. The Corporation had second mortgage investments outstanding on these properties and took over title to these properties together with the first mortgages in order to protect its investment. These properties were sold during the current fiscal year.

6. ADVANCES FROM THE TREASURER OF ONTARIO

The Corporation borrows funds from the Treasurer of Ontario to finance mortgages receivable. Such borrowings are repaid in varying amounts, depending upon repayments by mortgagors, over periods normally not in excess of 50 years. Interest paid to the Treasurer of Ontario in 1982 was at an average rate of 9.017 per cent (1981 9.012 per cent).

7. ONTARIO RENTAL CONSTRUCTION LOAN PROGRAM

The Ontario Rental Construction Loan Program was introduced during 1981 to provide interest free second mortgage financing for the construction of rental housing units in selected communities where vacancy rates are low. As an agent of the Province, the Corporation is charged with the responsibility of distributing program funds and registering second mortgage titles.

These second mortgages are interest free for their full twenty-five year terms. Principal repayments begin in the sixteenth year and are divided into equal monthly instalments over the final ten years.

In its capacity as an agent of the Province, the Corporation administers the second mortgage loans but does not include amounts advanced as part of balance sheet assets and liabilities. All principal recoveries will be deposited into the Consolidated Revenue Fund of the Province.

As at March 31, 1982, $21 million in such loans were made available by the Province. These amounts are recorded as transfer payments and as memorandum accounts receivable by the Province in its Public Accounts.

8. INTEREST

For the year ended March 31, 1981, the Corporation was reimbursed $2.01 million by the Province of Ontario for losses arising from lending at negative interest margins. For the year ended March 31, 1982 the Corporation was not reimbursed for such losses. Had such losses been reimbursed, the Corporation's revenue, net profit and retained earnings would have been increased by $1.82 million.

9. LOSS ON REAL ESTATE OPERATIONS

This essentially consists of maintenance and improvement costs net of rental revenue in respect of the acquired real estate.

10. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

The aggregate direct remuneration for the eight directors and one senior officer for the year ended March 31, 1982 was $0.075 million (1981 $0.063 million).

11. SUBSEQUENT EVENT

Order in Council 1367/82 dated May 20, 1982 authorized that the assets of Ontario Mortgage Corporation, including retained earnings, together with all obligations, liabilities and responsibilities of Ontario Mortgage Corporation be transferred, vested in, and assumed by Ontario Land Corporation retroactive to April 1, 1982.

An agreement will be signed between the two Corporations to assign all the authorized and issued capital stock of Ontario Mortgage Corporation to Ontario Land Corporation and to effect transfer of assets and liabilities, including retained earnings, retroactive to April 1, 1982.

Ontario

Office of the
Provincial
Auditor

Parliament Buildings
Queen's Park
Toronto, Ontario
M7A 1A2
416/965-1381

To the Shareholders of Ontario Mortgage Corporation.

I have examined the balance sheet of Ontario Mortgage Corporation as at March 31, 1982 and the statements of earnings and retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1982 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

A report on the audit has been made to Ontario Mortgage Corporation and to the Minister of Municipal Affairs and Housing.

Toronto, Ontario,
July 15, 1982.

D.F. Archer, F.C.A.,
Provincial Auditor.

POOR

QUALITY

ORIGINAL